rose again to 11.6 per cent by January 28, 1995 but declined to 10.3 per cent as on March 11, 1995.

The annual inflation rate is a result of the inter-play of different forces acting on the supply and demand sides of the market and as such, there may not be any one to one correspondence between money supply growth and rate of inflation. In the current financial year upto March 3, 1995 the money supply (M3) has expanded by 16.5 per cent slightly higher than the indicative target of 16 per cent growth for the whole year. It is however, lower than 17.3 per cent growth recorded in the corresponding period of 1993-94.

High rate of inflation in the current financial year may be attributed to various supply and demand side factors like increase in procurement prices, supply constraints due to a shortfall in production in sectors like sugar, cotton and oilseeds, spillover effects of high fiscal deficit in 1993-94 and large inflow of foreign exchange adding to liquidity growth. To moderate inflationary pressure, the monetary policy has been tightened to reduce the growth of money supply, while the imports of key essential commodities like sugar, cotton, pulses and edible oils have been freely allowed with zero or low duties. Continuous open market sales of wheat and rice have also been undertaken to moderate the inflationary pressure on prices.

Foreign Investors

2197. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news report appearing in ""Indian Express" dated the 21st January 1995 under the caption ""Foreign investors launch "Quit India' Movement""; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) Yes, Sir. The international investors' perception of, and interest in, Indian equity is a function of several variables, including exogenous factors like the movements in United States in- terest rates and the attractiveness of other emerging market equities. Foreign investment flows are by way of direct foreign investment, portfolio investment and overseas capital market mobilisations by Indian Companies. With the liberalisation measures, there has been substantial increase since 1991 in foreign investment inflows, both in direct and portfolio in- vestments. As per the reports filed by the custodians of Foreign Institutional Investors (FIIs) registered with the Securities and Exchange Board of India (SEBI), the monthly net investments by FIIs has all along been positive, every month since January, 1993.

Narcotics trade and transactions

2198. SHRIMATI VEENA VERMA:
SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE:
SHRI RAJUBHAI A. PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that hashish worth Rs. 4 crore weighing about 40 kgs. was seized by customs authorities from Air passengers at IGIA with Polish passport (14 kgs.) and from a house in Vasant Kunj (26 kgs.), New Delhi on February 29, 1995;

(b) the details of other seizures of hashish and other narcotics seized by various customs revenue and other enforcement and security agencies during the past six months; and

(c) whether these seizures lead to unearthing of organised gangs of smugglers engaged in narcotics trade and transactions, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) On 18.2.95, the Custom officers at the IGI Airport New Delhi seized 14.648 kgs. of hashish from a Polish national. In follow up 26.160 kgs. of hashish was seized from a house in Vasant Kunj, New Delhi.

(b) Following are the quantities of narcotics seized by enforcement agencies during last six months in the country:—